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An analysis of the impact of economic change on food expenditure in Ireland



Key external stakeholders:

Researchers, food and nutrition policy makers, food retailers, food industry.

Practical implications for stakeholders:

In the ten year period from 1994 to 2004, expenditure on alcohol and foods away from home increased dramatically. Healthy eating policy should address foods consumed away from home as well as alcohol consumption independent of the food pyramid healthy eating messages.

Given the changes in economic circumstances in Ireland following 2007, maintaining the focus on healthy eating will have economic benefits for both the individual and the national economy.

Main results:

The key results were the:

Weekly household disposable income (net income after taxes and deductions) increased from €360 in 1994 to €843 in 2004.

In the same period, total weekly food and alcohol expenditure increased from €112 to €177. However expenditure on food and alcohol as a percentage of income declined from 31% to 21%. Changes in expenditure were not uniform across food groups.

When food were grouped using the food pyramid categories, a decrease in expenditure was observed for meat, dairy and cereal food groups and to a lesser extent in the high sugar/fat group. However there was no change in expenditure in the fruit and vegetable group. Taking inflation into account, this means there was a decline in expenditure for this group over the period in real terms. When alcohol and food away from home were examined as additional separate food groups, larger differences were identified. Sharp increases were observed for alcohol consumed both at home and away from home, with a two fold increase in expenditure on alcohol for home consumption. Consumers' expenditure on food and drink away from home also increased accounting for nearly one quarter of food and drink expenditure in 2004 compared to 15% in 1994.

Opportunity / Benefit:

Food expenditure is an alternative way of examining food patterns within populations with a view to informing public health food policy and monitoring food trends longitudinally.

Collaborating Institutions:

Trinity College Dublin
University College Cork

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1. Project background:

Irish people have experienced a unique set of circumstances over the past twenty years because of the rapid growth of the Irish economy. This resulted in many dramatic changes (both positive and negative) in the lifestyles of Irish people. While our pockets were lined with the fur of the Celtic Tiger, Ireland experienced many changes ranging from a record number of adults participating in the workforce and a rise in both household incomes and spending levels. Other key factors include changes in family structure and the rise in single person households. With more time being spent both commuting and working, there was a decline in leisure time, with many consumers being considered 'cash rich and time poor'. The impact of economic change on food expenditure patterns, during one of the most dynamic decades in our recent past from 1994 to 2004 is examined using open access Household budget Survey data from the Central Statistics Office.

2. Questions addressed by the project:

Did changes in economic circumstances impact on food expenditure patterns?

Can changes in food expenditure potentially impact on public health?

Are there lessons to be learned as we enter a new economic era?

3. The experimental studies:

To provide a perspective on the Irish economic experience during a decade of considerable economic change and its impact on patterns of food choice, data from the Central Statistics Office survey on household budget expenditure (HBS) was obtained. The HBS provides a representative random sample of all private households in Ireland. Respondents complete a detailed diary of household expenditure over a two-week period as well as providing detailed information on all sources of household income.

Using the food expenditure data from the survey, trends were examined from 1994 to 2004. Household weekly food expenditure was categorised into the five food pyramid categories with three additional categories for foods away from home, alcohol (home and away) and miscellaneous foods. The food expenditure categories were compared for the ten year period as a percentage of overall food expenditure.

Exploration of these datasets provides a retrospective and longitudinal measure of the economic changes and its impact on expenditure on food and food choice over the last 15 years. These analyses will provide insight as to some of the potential influences that have shaped current food choice.

4. Main results:

Weekly household disposable income increased from €360 in 1994 to €843 in 2004. The absolute amount of expenditure on food and drink increased over the ten year period but when expressed as a percentage of disposable income, a decrease in the proportion of income spent on food and drink was observed. The average weekly spend on food and drink (including food and alcohol away from home) was €112 in 1994, which accounted for 31% of income. While the overall average spend increased by €65 in 2004, it accounted for 21% of income which corresponded to a 10% decrease in food expenditure over the 10 years.

Using the food pyramid categories to group all the foods purchased and looking at changing expenditure across the various levels of the pyramid, notable changes were observed. When expressed as absolute food expenditure, expenditure on all foods increased over the ten years. However, when expressed as a percentage of total food expenditure, expenditure on meat decreased by 4%, dairy by 2% and cereals by 2% high sugar/fat foods by 1.5% with relatively no change in percentage expenditure on fruit and vegetables. Despite widespread campaigns to increase fruit and vegetable consumption, expenditure on this category

did not change significantly over the decade.

However, the food pyramid does not consider alcohol or foods eaten outside the home as separate categories. For the purpose of this research, expenditure on alcohol (both at home and away) as well as foods consumed away from home were considered as additional categories. A sharp increase in the proportion of income spent on foods away from home was observed; from 15% of food expenditure in 1994 to one quarter of all food expenditure in 2004. The proportion of food expenditure on alcohol outside the home remained relatively constant; however a doubling of expenditure on alcohol at home from 3% in 1994 to 6% in 2004 was observed.

5. Opportunity/Benefit:

Reports on recent health trends have shown that many consumers are looking for healthier foods to maintain health and wellness, to prevent future ill-health and to mitigate personal medical costs. This is a trend that the food industry can address, by creating more health orientated foods, to support healthy eating, healthy living and ultimately a healthier economy.

In light of the different economic circumstances in which we now find ourselves and as we enter a new economic era, focus must be maintained on healthy eating which will have economic benefits for both the individual and the national economy.

6. Dissemination:

This research has been presented at various conferences

Popular publications:

Is time and money running out for healthy eating? Ashtown Innovator, Summer 2010.

7. Compiled by:

Sinéad McCarthy